

RESOLUTION NO. 87-60

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LODI,
CALIFORNIA, DECLARING ITS INTENTION TO CALL FOR BIDS
FOR A CERTAIN OIL AND GAS LEASE AND MAKING FINDINGS
IN CONNECTION THEREWITH

The City Council of the City of Lodi, California, does resolve as follows:

SECTION 1. Pursuant to Sections 7058 and 7058.5 of the Public Resources Code of the State of California, the City Council declares that it intends to call for bids for a lease agreement for the production of oil, gas and other hydrocarbons.

SECTION 2. Said lease shall cover all land lying more than 500 feet below the surface of that certain land upon which bids are submitted. The City will be receiving bids on two (2) parcels locations both situated in the County of San Joaquin, State of California, and more particularly described as follows:

Parcel 1

Portions of Sections 23, and 24, Township 3 North, Range 5 East, Mount Diablo Base and Meridian, also being described as Assessor's Parcels 055-130-14, 055-130-15, 055-150-17, 055-150-27, and 055-150-28. The property is also commonly known as the City of Lodi White Slough Water Pollution Control Facility. This property is highlighted on the attached Exhibit A and totals approximately 390 acres.

Parcel 2

Portions of Sections 24, Township 3 North, Range 5 East, Mount Diablo Base and Meridian, also being described as the Assessor's Parcel 055-130-4, 055-130-13, 055-150-14, and 055-150-15. The property is also commonly described as the Westerly portion of the City of Lodi White Slough Water Pollution Control Facility property. This portion of City property is highlighted on the attached Exhibit B and totals approximately 137 acres.

Exhibits A and B are on file in the office of the City Clerk.

SECTION 3. The minimum annual rental shall be \$20.00 per acre.

SECTION 4. The royalty share payable for oil, gas and other hydrocarbons produced from wells on the leased land shall be one-sixth (1/6th), to be computed as provided in said form of lease.

SECTION 5. The term of the lease shall be for three (3) years and for such longer period (not to exceed 35 years) during which oil, gas, and other hydrocarbon substances shall be produced from said leased land, or lands with which the leased land may be pooled.

SECTION 6. The form of the lease shall be a standard oil and gas lease form such as is used by Shell Oil, Standard Oil, Phillips Petroleum, or any other major oil company.

SECTION 7. The variable bidding factor from which bids shall be received shall be the cash bonus consideration, payable upon submittal of the bid.

SECTION 8. Bids may be submitted on either Parcel 1 (390 Ac \pm) or Parcel 2 (137 Ac \pm) or may be submitted on Parcels 1 and 2 combined (527 Ac \pm).

SECTION 9. The bidder shall submit a sealed proposal to enter into said lease agreement and the same shall be received at the office of the City Clerk of the City of Lodi located in the City Hall on or before 5:00 p.m. Wednesday, July 15, 1987 and said bids shall be opened and publicly declared by the Council at its regular meeting in the City Hall, Lodi, California to be held at 7:30 p.m. on said date. Said bids shall contain a cashier's or certified check covering the full amount of the cash bonus consideration including the first year's rental and shall indicate the willingness of the leasee to enter into a lease containing at least the minimum proposals set forth herein.

SECTION 10. The City Clerk shall publish this resolution once a week for four successive weeks in the Lodi News Sentinel, a newspaper of general circulation published and printed in the city and county where the property is situated.

I hereby certify that the foregoing resolution was passed and adopted by the City Council of the City of Lodi in a Regular Meeting held Wednesday, June 3, 1987, by the following vote:

AYES: Council Members - Hinchman, Pinkerton, Reid,
Snider and Olson (Mayor)

NOES: Council Members - None

ABSENT: Council Members - None

ABSTAIN: Council Members - None

ATTEST:


ALICE M. REIMCHE
City Clerk

Approved as to form



Ronald M. Stein
City Attorney

Exhibit A

Parcel 1

Portions of Sections 23 and 24, Township 3 North, Range 5 East, Mount Diablo Base and Meridian, also being described as Assessor's Parcels 055-130-14, 055-130-15, 055-150-17, 055-150-27, and 055-150-28. The property is also commonly known as the City of Lodi White Slough Water Pollution Control Facility. This property is highlighted below and totals approximately 390 acres.

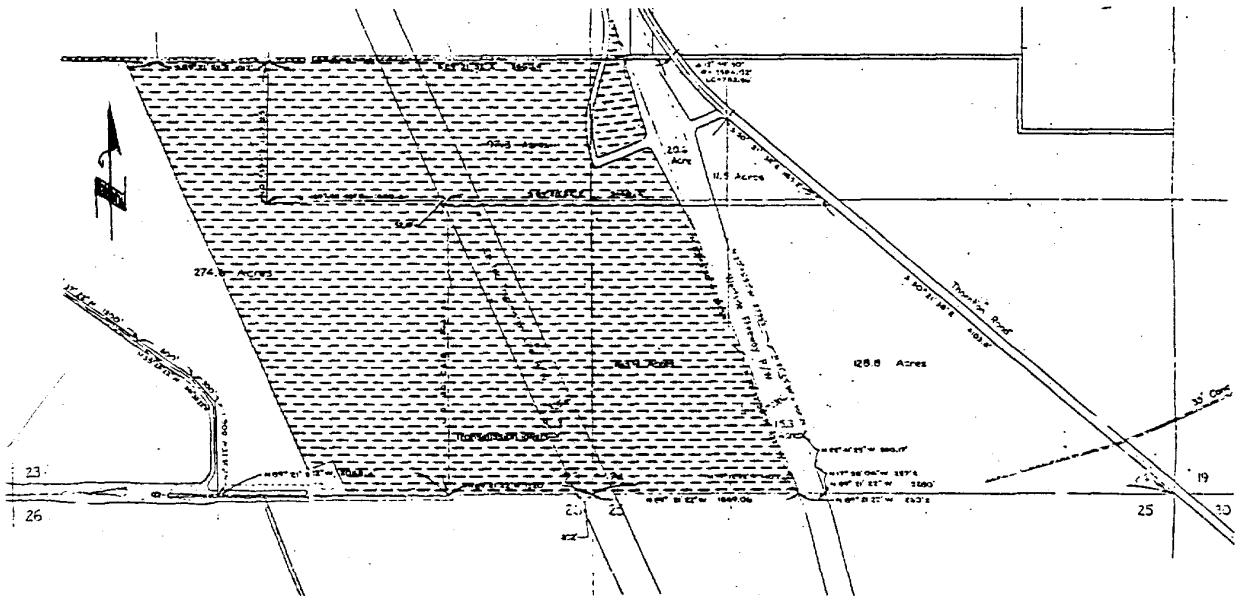


Exhibit B

Parcel 2

Portions of Section 24, Township 3 North, Range 5 East, Mount Diablo Base and Meridian, also being described as Assessor's Parcels 055-130-4, 055-130-13, 055-150-14, and 055-150-15. The property is also commonly described as the westerly portion of the City of Lodi White Slough Water Pollution Control Facility property. This portion of City property is highlighted below and totals approximately 137 acres.

